

2. Government are pleased to direct that in relaxation of rules contained in Article 80 of the Mysore Financial Code, 1958, the pay bills of the non-gazetted staff for the month of October 1959 may be cashed at the Treasuries on the 29th October 1959 and disbursed to the employees on the same day.

3. These instructions do not apply to offices of the Central Government like, Audit, Income Tax, etc.

By Order and in the name of the Governor of Mysore,

N. S. BHARATH,

*Deputy Secretary to Government,  
Finance Department.*

**Production of Income Tax Clearance Certificates from Suppliers and Contractors before contracts are awarded to them.**

**OFFICIAL MEMORANDUM**

No. FD-80 RTP 59, DATED BANGALORE, THE 17TH OCTOBER 1959  
(ASVIJA 25, SAKA ERA 1881).

It has been brought to notice of Government by the Commissioner of Income Tax, Mysore, Bangalore, that the Forest Department is not insisting upon the production of Income Tax Clearance Certificates by the Forest Contractors before the contracts are actually awarded to them. The reason usually alleged is that there is delay in obtaining such clearance certificates, but the Income Tax Department has assured that the reason is not correct, and if the contractor has cleared the tax due to the department, the certificate will be issued immediately and further the Commissioner of Income Tax has intimated Government, that instructions have again been issued to all Income Tax Officers that there should not be any delay in the matter of issue of Income Tax Clearance Certificates in proper and deserving cases. All departments of Government are requested to see that Income Tax Clearance Certificates are invariably obtained in all cases in future.

2. In this connection attention of all Heads of Departments is invited to Official Memorandum No. Fl. 6092-6192/G.F. 60-50-4, dated 21st October 1950 (copy appended for ready reference) impressing upon the departments of Government the need for obtaining such clearance certificates before contracts, etc., are given.

N. S. BHARATH,

*Deputy Secretary to Government,  
Finance Department.*

**APPENDIX.**

[Copy of Official Memorandum No. Fl. 6092-6192/G.F. 60-50-4, dated 21st October 1950, from the Secretary to Government, Finance Department, Bangalore.]

**Income Tax evasion—prevention of—Financial favour and patronage, conferred by Government—  
Restriction of—to honest tax payers and genuine new comers—orders passed.**

The Government have had under consideration, for some time past the question of setting up effective liaison arrangements between the Officers of the Income Tax Department and the various spending departments of the Government, with a view to withholding from persons with a bad Income Tax record any financial favour and patronage at the disposal of the Government and thus eradicate all cases of tax evasion by Government Contractors. They have therefore decided that the financial favour and patronage at their disposal, e.g., in the matter of granting contracts, placing orders for supplies and services, grant of permits, licences, etc., should be bestowed only upon those

who produce a certificate of Income Tax Verification from the Income Tax authorities on the analogy of the procedure adopted by the Government of India in respect of the applications for import and export licences. The Heads of Departments and such Officers as are empowered to grant contracts, place orders for supplies and services, etc., are accordingly requested that applications for contracts, supplies and services, grant of permits and licences, quotas, etc., should not be considered after the issue of this Official Memorandum unless the applicants or individuals concerned produce an Income Tax Clearance/Verification Certificate in the Form appended to this order. In the case of contractors already on the approved lists, a month's time may be granted from the above date to produce an Income Tax Clearance Certificate. The production of an Income Tax Clearance/Verification Certificate may, however, be waived when the value of the contracts does not exceed Rs. 7,500 or when the anticipated turnover of an applicant for a permit or a license may not exceed Rs. 7,500 per annum.

2. Whenever a Notification calling for tenders for works or for supplies is issued by Local Bodies, a condition may be inserted therein to the effect that the successful tenderer will have to produce an income tax clearance or verification certificate before he executes an agreement to carry out the works.

3. The applicant or his authorised agent should fill in the particulars as required in the prescribed forms and present it to the Income tax Officer of the Circle where the applicant is assessed or assessable. In the case of applicants assessed or assessable in Bangalore the applications duly completed may be presented to the Inspecting Assistant Commissioner, Bangalore. The Income Tax authority concerned will arrange for the verification of the particulars furnished and issue the necessary certificates and return the copies after retaining one copy for his record.

4. The Income Tax Verification/Clearance Certificate once produced will be valid for a period of one year from date of issue. For proprietary and partnership concerns the certificate for the proprietor or proprietors and for each of the partners as the case may be, should be insisted upon. An applicant, who has not paid income tax during any of the past years under any head (Salaries, Interest on Securities, House properties, Business or profession, or any other sources) may be asked to file an affidavit stating that he had no taxable income from all the sources during any of the past five years together with a Income Tax Clearance/Verification Certificate to that effect.

5. The following classes of applicants will be exempt from production of Income Tax Clearance/Verification Certificates:

- (a) Such Government and Semi-Government institutions as are not liable to Income Tax;
- (b) Other types of persons who are not otherwise liable to Income Tax under Section 4 (3) of the Indian Income Tax Act;
- (c) Firms and individuals claiming exemption from Income Tax, should give particulars of their income and state fully the circumstances under which they claim to be exempt from Income Tax.

#### LOCAL SELF-GOVERNMENT AND PUBLIC HEALTH SECRETARIAT

#### Sanctions the Appointment of Drawing and Disbursing Officer under the National Apprenticeship Scheme.

#### REFERENCES

- Government Order No. LLH 37 LTC 57, dated 30/7th October 1958.
- 2. Government Order No. LLH 37 LTC 57, dated 30/7th October 1958.
- 3. Correspondence ending with letter No. IT/M5/At/4927/59-60, dated 22nd September 1959 from the Director of National Employment Service in Mysore, Bangalore.

#### PREAMBLE

The Director of National Employment Service reports that out of the 100 candidates selected for the Apprenticeship Training under National Apprenticeship Training Scheme sanctioned in Government Orders referred to above, 50 candidates have already been posted for training at the Kolar Gold Mining Undertakings, Oorigaum and the Mysore Iron and Steel Works, Bhadravati and that the remaining 50 candidates would be posted to the Hindustan Aircraft Ltd., and Bharat Electronics Ltd., Bangalore as soon as the details and other arrangements with the Concerns are finalised and requesting for reasons stated orders declaring the following officers as the Drawing and Disbursing Officers in respect of the stipends and the funds allowed to the respective Concerns, etc., sanctioned under the Scheme:—

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|---|---|
| (1) The Chief Accounts Officer, Kolar Gold Mining Undertakings, Oorigaum.                                     | In respect of candidates posted for training at Oorigaum.   |
| (2) The Chief Accounts Officer, Mysore Iron and Steel Works, Bhadravati.                                      | In respect of candidates posted for training at Bhadravati.   |
| (3) Secretary, State Apprenticeship Committee, Bangalore (Director of National Employment Service in Mysore). | In respect of candidates posted for training at Hindustan Aircraft Ltd. and Bharat Electronics Ltd., Bangalore. |

and also adding that the Drawing and Disbursing Officers will follow the rules laid down in the Mysore Financial Code, and the Manual of Contingent Expenditure, the expenditure being debited to